

CALT | Policy Statement #3

May 23, 2018 3-4:00 PM

CALT Participants: Chris Rose, Meera Kohler, Luke Hopkins, Janet Reiser, Loralie Simon, Denise Michels

State Participants: Alice Edwards, Denise Koch, Katie Conway, Nikoosh Carlo, Fred Parady,

Public Participants: Cathy Walling, Shaina Kilcoyne

Nils: "Policy Statement 3: Maximize carbon neutral growth in Alaska through a rapid transition to clean 24 energy, electrification and energy efficiency". Should it talk about "rapid decarbonization"?

Luke Hopkins: I'm fine with what's in the current draft plan.

Meera Kohler: Something I've mentioned earlier is to insert the word "beneficial" before electrification so that we're vouching for electrification that has carbon mitigating potential.

Nils: Do we need any further clarity on "carbon neutral growth"?

Chris Rose: I think it's self-evident.

Janet Reiser: We've talked about how we mention electrification here, but we don't mention it much elsewhere to give it more clarity.

Nils: We've got a few different things going on in the goals. Maybe we can walk through each of those and you can let me know if there are goals that we're missing. In the first goal (3.1) and the second goal (3.2) we use specific numbers. We've received a lot of comments about that. For your reference, we've pulled that 2025 from the Paris Accords. The percentages come from our previous energy goals. Some people say that we've already met that goal. Does anyone have thoughts about that?

Denise Koch: I'm not sure that's true that Alaska has met the goal of reducing by 30%. I know that there's been a slight decline more recently, but it's not 30%.

Alice Edwards: I don't think that we've exceeded it, but we're a long way closer to 30% reductions by 2025.

Nils: Are there any other numbers we should go for. I'm not sure what's reasonable and what's ambitious.

Edwards: I can't tell you the exact percentage, but I know that in tonnage we've come a long way since 2005.

Hopkins: The Oil & Gas Technical Advisory Panel

Rose: Do we want to break out methane emissions on the North Slope? It seems like a big fish to track.

Edwards: 2005 was our peak year. To get a 30% reduction, we would need about 3 million metric tons of Co2e reduction. To give you an idea, our entire public power production sector produces about 3.8 million metric tons. It would be like trying to reduce the equivalent of trying to reduce the power production sector in the State.

Reiser: I know that BP has specific emissions reductions goals. If they meet those goals, would they cover that 3 million tons? It seems like that would be the easiest to reduce.

Koch: I don't recall BP giving specific numbers on the call.

Kohler: Are we going to be specific about methane emissions from oil and gas development on the North Slope, because it has multiple sources, like melting tundra.

Rose: I think it'd be good to break out by sector: transportation, industrial, heating and electricity.

Nils: I see what you're saying. I think that reorganizing these around sector might make things clearer and give people a better idea of what could be done.

Loralie Simon: There's a significant positive impact that coal has on the State of Alaska and on communities. Usibelli is also the largest private sector employer in the Alaska area. In 2016, Usibelli spent about \$27 million dollars in Alaska. When we talk about the impact to Alaska's communities, I want to make sure that the Denali Borough and the community of Healy is sustained by the coal mine. I don't want to leave out the room for technological innovation in industry, including carbon capture and sequestration.

Nils: Thanks Loralie. I think that this group is saying that economic analyses need to be done before we implement actions, and that we need to mitigate risks. I think that we need to know where we could have negative impacts. I have one question for Usibelli – where do you get your power?

Simon: We purchase from Golden Valley, so 30% comes from coal.

Reiser: I think that 3.1D does promote technological innovation, including carbon capture and sequestration. Should we add something about renewable energy as well?

Nils: I think that the bit about natural gas came from the current effort with China.

Hopkins: In the Fairbanks community, natural gas will be very important.

Conway: I think that 3.1B leaves people wondering what's going to be banned.

Nils: I believe that it came from discussion about banning heavy fuel oils in the Arctic.

[...]

Nils: Is 3.1C necessary?

Rose: I think that we have to have someone doing it.

Koch: DEC has been doing that work, and we plan to continue it.

Hopkins: But would that be an action item?

[...]

Reiser: When we talk about renewables, are we including industry up on the North Slope, or just commercial and residential buildings? I think it will be very difficult for us to meet that goal of 50% renewables.

Conway: I appreciate those goals, but I think that we need to be more realistic. You might remember our earlier analysis that it would take us over 100 years to meet our goal on our current trajectory.

Reiser: The other thing that comes to mind is that we're talking about reducing carbon. Natural gas with carbon capture could potentially meet our carbon goals. We need to think about the impact of renewables and how to make sure we're not adding to our carbon emissions.

Rose: I think that there was a general thought in 2010 that the Susitna-Watana Dam would help us meet our goal. I think the question people are raising is what is the appropriate percentage and year. We're really talking about a Renewable Portfolio Standard, and that's a whole different debate.

Kohler: Just to remind people, we created that 2010 goal only to address the retail electric market. It's a long shot.

Reiser: To illustrate my point with an example, some people might say that adding a second phase to Fire Island would release more carbon in the air because of the back-up systems. We need to think about our real goal of reducing emissions. The best way to do that is through renewables, but it needs to be done correctly.

Rose: There are a lot of moving parts in the Railbelt right now. There are a lot of institutional things that are being worked on that would lead us to a new structure. I think we need to be more specific about what we're looking at, which is a single system operator with a load balancing area in the Railbelt.

Reiser: And also reducing carbon emissions from ?? . I agree with that.

Rose: And also what Meera said about reducing emission in industry and the military.

Reiser: Maybe we should also look at a goal for electric vehicles. There's a big opportunity.

Hopkins: What about solar?

Rose: It's going to be part of the mix. It's getting cheaper, and people are putting it on their houses. We're going to have everything in the mix – I think that we just need to figure out what our state policy is.

Reiser: Let's look at our net metering policy as well. That dictates how much power utilities have to buy from independent power producers. Those are the kind of policy things that I think the State should be working on. I think that the other thing people are talking about in the Lower 48 are what we do for low-to-moderate income folks.

Nils: I feel that you guys can redevelop this policy statement, goals, and objectives in ways that can be really helpful. Chris suggested reorganizing goals by sector. It sounds like Janet has a lot of other ideas. I know that the rest of you can complement that. Maybe we can reconvene this conversation with a new draft later.

Rose: Maybe we could have a meeting the week after the next.

Nils: We'll reconvene on the 4th from 1-3PM.